

Property Tax Freeze Frequently Asked Questions

ADMINISTRATION

1. How does a jurisdiction establish a program?

The legislative body of any county or municipality adopting the property tax freeze provided in Tenn. Code Ann. § 67-5-705 must do so by either resolution or ordinance.

2. May a jurisdiction terminate its program?

The legislative body of any county or municipality which has adopted the property tax freeze program provided in Tenn. Code Ann. § 67-5-705 may terminate the program by adopting a resolution or ordinance terminating the program. The program would actually terminate the following year.

3. Who will administer the program?

The property tax collecting official of the county or the municipality

4. Are jurisdictions financially responsible for all cost associated with administering and implementing the program?

The local jurisdiction is responsible for the cost of administering and implementing the program.

5. Who will establish the definitions and program requirements?

The State Board of Equalization, through the state Division of Property Assessments, is charged with the responsibility and authority for establishing [rules and regulations](#) for the implementation of the property tax freeze program.

6. Who is responsible for establishing and maintaining a record of the status of each property owner and the amount at which the property tax on a specific property is frozen?

The collecting official determines eligibility and maintains the records for each property owner. The frozen tax amount is determined by the collecting official with the assistance of the assessor of property.

7. When did the legislation take effect?

The legislation became effective July 1, 2007.

8. What amount of tax becomes the frozen tax amount?

The amount paid in the year the owner first qualifies

9. Is it a freeze on the amount of tax paid or the rate at which it is paid?

It is a freeze on the amount of taxes paid.

10. How much of the property taxes are frozen?

The full amount is frozen on the principal residence, subject to a maximum land size. Taxes on portions of the property not used for residential purposes are not frozen, including any portions used for commercial, industrial, farm, agricultural, forest or open space purposes.

11. Will assessments continue to be made on frozen properties?

Yes, assessments will continue to be made, but the taxes will remain frozen unless there is an improvement made to the property or the owner sells the property.

12. Will taxes continue to be calculated based on the assessed value and the current tax rate for frozen properties?

The actual taxes based on the current assessed value and tax rate will continue to be calculated for comparison purposes. If the actual current calculated taxes are less than the frozen amount, the lesser amount will be owed for that year.

13. How are the frozen taxes affected when improvements are made to the property?

The base frozen tax amount will increase proportionally with the value to reflect improvements made to the property.

14. How are improvements to a structure handled that have not been assessed but existed at the time the owner qualified for the program?

Existing improvements not previously discovered shall result in an adjustment to the base frozen tax amount upon discovery.

15. Would a freeze remain in place if the property is destroyed or razed and a new structure erected in its place?

The freeze would remain in place and the frozen tax amount would be adjusted to reflect the difference in value between the old structure and the new structure.

16. What if the calculated taxes on a property are less than the frozen amount?

The taxpayer will pay the lesser amount.

17. Do penalty and interest provisions apply to delinquent payments on frozen properties?

Penalty and interest do apply as normal to any delinquent taxes owed on frozen properties.

QUALIFICATION

18. What type of qualification limit has been established in state law?

An income limit

19. Who establishes the income limit?

The state Comptroller of the Treasury calculates the income limits annually on a county-by-county basis using an approach outlined in state law.

20. Who determines eligibility?

The collecting official shall determine whether requirements for eligibility have been met.

21. Do owners have to apply for the freeze or can they just state they are eligible?

The property owner has to apply and provide proof of age, ownership, and income.

22. Do owners have to apply or claim eligibility each year or just once?

The owner has to reapply each year.

23. Does every owner have to be over 65 or is the property eligible if any owner is over 65?

It is not required that every owner be age 65 or over. It is required that the owner applying for the tax freeze be age 65 by the end of the year in which the application is filed.

24. If a qualified owner is determined in a subsequent year to no longer be qualified for the freeze and then in a following year regains eligibility, at what amount are the taxes frozen?

The owner would have to reapply and meet all the qualifications to have their taxes frozen. A new frozen tax amount would be established in the year that the applicant once again becomes eligible for the program.

25. How would ownership of the property be verified?

Acceptable ownership evidence would include a deed (warranty, quitclaim, etc.), property tax notice, property tax receipt, probated will, title or bill of sale for a mobile home, divorce decree, land contract, or trust.

26. Would the individual have to own the property the entire year to qualify for the freeze?

It is not required that the applicant own the property on January 1 of the tax year. However, the applicant must own the property for any portion of the year for which application is made and must retain ownership through the application deadline (35 days after the delinquency date for that tax year).

27. Is the owner required to have owned the home for any specific period of time to qualify?

The applicant must establish that he or she was an owner of the principal residence during the tax year and must retain ownership through the application deadline.

28. What if a qualifying applicant dies in the middle of the year – are taxes prorated or are they frozen for the entire year?

Taxes are frozen for the entire year if the applicant has already qualified for that year.

29. How would income be verified?

Annual income of all owners from all sources is considered and includes, but is not limited to, Social Security payments after the Medicare deduction, Social Security disability, Supplemental Security Income, retirement and pension benefits after deductions of healthcare insurance premiums, veteran's benefits, worker's compensation, unemployment compensation, salaries and wages, alimony, total interest and total dividends. The income of all owners of the property is to be included. The applicant must provide income tax returns for the appropriate year or else file a signed statement that they were not required to file a return.

30. Will income be verified annually or just once?

The applicant will have to show proof of income annually.

31. Does the property have to be a single-family dwelling to qualify?

An owner-occupied multi-family dwelling could also qualify, but only the taxes on the portion that is the principal residence of the owner would be frozen.

32. Does the owner of the residence also have to own the land on which it sits?

No, an eligible taxpayer owning and whose principal residence is a mobile home may qualify for the tax freeze program.

33. May an individual qualify for the freeze for multiple properties within the same jurisdiction?

No, the applicant can only qualify on the principal residence. "Principal residence" is defined as the dwelling owned by the taxpayer and eligible as the taxpayer's legal residence for voting purposes.

34. May an individual qualify for the freeze in multiple jurisdictions?

No, the applicant can only qualify on the principal residence. "Principal residence" is defined as the dwelling owned by the taxpayer and eligible as the taxpayer's legal residence for voting purposes. The applicant must also sign a statement that they have not submitted another property as their principal residence for any purpose in any jurisdiction.

35. May a non-resident qualify for the freeze?

No, the tax freeze is available only on the applicant's principal residence for voting purposes.

36. Is the owner required to live in the property to qualify for the freeze?

The applicant does not have to live in the property full time to qualify, but the property must be their principal residence for voting purposes.

37. Do the benefits of a freeze travel with the owner or must they be established for each property?

The benefits do not travel with the owner. They must be established for each property.

INTERACTION WITH EXISTING TAX RELIEF PROGRAM

38. Are the benefits of the tax freeze program in lieu of or in addition to the existing state Tax Relief Program?

The benefits of the tax freeze are in addition to the Tax Relief Program.

39. If an individual is already approved for the state Property Tax Relief Program as a low-income elderly recipient, will they also automatically qualify for the tax freeze?

Approval for Tax Relief serves as evidence of age and income for purposes of the tax freeze. Rules regarding ownership and residency differ between the two programs. A separate application for the tax freeze is required.

MISCELLANEOUS

40. How is the freeze applied with respect to farm and greenbelt properties?

The tax freeze applies only to the residential portion of a farm or greenbelt property (i.e., the dwelling, residential outbuildings, and the portion of the land used to support the residential structures, such as that designated as the home site or improvement site on the assessment records). The maximum amount of land that can be subject to the freeze is 5 acres.

41. If a person owns considerable acreage, does the entire property qualify for the freeze or just a portion?

The land subject to the tax freeze is limited to the portion of land used to support residential structures but not less than the minimum residential lot size required by applicable zoning. In no event may the land portion subject to the tax freeze exceed 5 acres.

42. If a person acquires additional contiguous property after qualifying for the freeze, then is the new property also subject to the freeze?

Contiguous property purchased by a qualifying owner may be combined into the existing property as one parcel of land and be included in the tax freeze. The frozen tax amount would be adjusted proportionally to reflect the additional land as an improvement to the property. The inclusion of the additional land in the frozen amount would coincide with the year it becomes taxable to the new owner as of January 1.